

# SPECIAL NOTICE

June 7, 2005

For further information contact:  
Telephone Information Center  
1-800-647-7706 or (360) 705-6676

Alternate Formats (360) 705-6715  
Teletype 1-800-451-7985

## Processing Perishable Meat Products

This Special Notice is intended to assist those in the food industry who may be impacted by the recent state Supreme Court decision, *Agrilink Foods, Inc. vs. Washington State Department of Revenue*, on how to report income from manufacturing and selling meat products. This notice also provides instructions on how to request a refund for overpayment of business and occupation (B&O) tax on that activity. Please read the following information carefully to determine if you are eligible for a refund.

### Background

Washington law (RCW 82.04.260) provides a preferential B&O tax rate for every person engaging within this state in the business of “slaughtering, breaking, and/or processing” perishable meat products and/or selling these products at wholesale (referred to as the “Slaughter/Breaking” B&O tax classification).

On January 13, 2005, the Washington State Supreme Court in the Agrilink case ruled that the Slaughter/Breaking rate is available to processors of perishable meat where the person produces canned products if the person starts with perishable meat. There is no requirement that the finished product remain perishable after processing. **As a result of this court decision, persons processing perishable meat into a nonperishable finished product may qualify for the preferential Slaughter/Breaking B&O tax rate.**

Activities qualifying for the reduced B&O tax rate (“Slaughter/Breaking”) include processing perishable meat into nonperishable jerky, canned foods containing meat, etc. Wholesale sales of these same products by the same processor also qualify for the Slaughter/Breaking B&O tax classification. In the case of non-processors selling meat products, only sales of *perishable* meat products qualify for this tax classification.

Based on the Agrilink decision, businesses that qualify to report under the Slaughter/Breaking B&O tax classification but have previously reported under the higher *manufacturing* or *wholesaling* B&O tax rates, may qualify for a refund of the overpaid tax.

### Request for Refund of Manufacturing B&O Tax

To request a refund complete and send the enclosed *Request for Refund of Manufacturing/Wholesaling B&O Tax* (REV 40 2413) form to:

Refund Section  
Department of Revenue  
PO Box 47476  
Olympia, WA 98504-7476

By properly completing the form, refunds can generally be processed faster.

The statute of limitations allows businesses to request a refund in calendar year 2005 for taxes paid on or after January 1, 2001.

The Department of Revenue will evaluate refund requests to determine if the refund will be issued or referred to the Audit Division for verification. If the business requesting the refund is currently under audit, assigned for field audit, or has been recently audited, the refund request will generally be processed by the Audit Division at the taxpayer's place of business.

**All refund requests are subject to future audit examination and verification.** Businesses must retain copies of documentation to substantiate that the Slaughter/Breaking B&O tax rate is appropriate for the amounts subject to the refund request. If the Department finds that tax was refunded on the basis of incorrect information, the Department will assess the tax plus interest and penalties as required by law.

### **For More Information**

If you have questions, contact the Telephone Information Center at 1-800-647-7706.

To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users please call 1-800-451-7985.

## Request for Refund of Manufacturing/Wholesaling B&O Tax

To request a refund from the reclassification of income from the *manufacturing/wholesaling B&O tax classification* to the *slaughter, breaking, processing perishable meat-wholesale B&O tax classification*, complete and send this form to the Department of Revenue at the address noted below. Incomplete forms may delay your refund request. If you have any questions, please call 1-800-647-7706.

Date \_\_\_\_\_

Company Name \_\_\_\_\_

Tax Reporting Account Number \_\_\_\_\_

Mailing Address \_\_\_\_\_

Contact Person \_\_\_\_\_

City, State, Zip \_\_\_\_\_

Phone Number \_\_\_\_\_

▶ Did a Department of Revenue audit cover any period of this request? ☐ Yes ☐ No

▶ In the table below, list your refund request by each reporting period or combined reporting periods by calendar year.

▶ Return to: Department of Revenue  
Refund Section  
PO Box 47476  
Olympia WA 98504-7476

Reporting Period	Perishable Meat Product Used	Product Sold	Tax Classification Reported Under	Taxable Amount Reported	Tax Paid @ .00484 (A)	Tax Due @ .00138 (B)	Difference to be Refunded (A-B)
e.g. Jan/2004 or Q1/2004 or CY/2004	Beef	Jerky	<input checked="" type="checkbox"/> Manufacturing	\$ 50,000.00	\$ 242.00	\$ 69.00	\$ 173.00
			<input type="checkbox"/> Wholesaling	\$	\$	\$	\$
			<input type="checkbox"/> Manufacturing	\$	\$	\$	\$
			<input type="checkbox"/> Wholesaling	\$	\$	\$	\$
			<input type="checkbox"/> Manufacturing	\$	\$	\$	\$
			<input type="checkbox"/> Wholesaling	\$	\$	\$	\$
			<input type="checkbox"/> Manufacturing	\$	\$	\$	\$
			<input type="checkbox"/> Wholesaling	\$	\$	\$	\$
			<input type="checkbox"/> Manufacturing	\$	\$	\$	\$
			<input type="checkbox"/> Wholesaling	\$	\$	\$	\$
▶ If more space is required, see reverse.					\$	\$	\$
TOTAL (page 1)					\$	\$	\$

Print Name \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_/\_\_\_\_/\_\_\_\_

# Request for Refund of Manufacturing/Wholesaling B&O Tax (Continued)

Company Name \_\_\_\_\_

Tax Reporting Account Number \_\_\_\_\_

Reporting Period	Perishable Meat Product Used	Product Sold	Tax Classification Reported Under	Taxable Amount Reported	Tax Paid @ .00484 (A)	Tax Due @ .00138 (B)	Difference to be Refunded (A-B)
			<input type="checkbox"/> Manufacturing	\$	\$	\$	\$
			<input type="checkbox"/> Wholesaling	\$	\$	\$	\$
			<input type="checkbox"/> Manufacturing	\$	\$	\$	\$
			<input type="checkbox"/> Wholesaling	\$	\$	\$	\$
			<input type="checkbox"/> Manufacturing	\$	\$	\$	\$
			<input type="checkbox"/> Wholesaling	\$	\$	\$	\$
			<input type="checkbox"/> Manufacturing	\$	\$	\$	\$
			<input type="checkbox"/> Wholesaling	\$	\$	\$	\$
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			<input type="checkbox"/> Wholesaling	\$	\$	\$	\$
			<input type="checkbox"/> Manufacturing	\$	\$	\$	\$
			<input type="checkbox"/> Wholesaling	\$	\$	\$	\$
			<input type="checkbox"/> Manufacturing	\$	\$	\$	\$
			<input type="checkbox"/> Wholesaling	\$	\$	\$	\$
			<input type="checkbox"/> Manufacturing	\$	\$	\$	\$
			<input type="checkbox"/> Wholesaling	\$	\$	\$	\$
<b>Total (this page)</b>					\$	\$	\$
<b>Transfer Total(s) from other page(s)</b>					\$	\$	\$
<b>GRAND TOTAL</b>					\$	\$	\$

► **Please make additional copies of this form as needed.**

For tax assistance, visit <http://dor.wa.gov> or call 1-800-647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call 1-800-451-7985.